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Andrew Sikula Sr.

Marshall University, sikula@marshall.edu

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Moral Management Methodology/Mythology: Erroneous Ethical Equations

Andrew Sikula, Sr.
Marshall University

Understanding the falsity of certain common beliefs helps students move toward better business ethics and a higher degree of moral management. This article explains one method for teaching moral management, by using ethical equation inequalities, and offers 10 implications and suggestions to managers. After nearly 50 years of studying, researching, and writing about business ethics, I prefer to use the concept of moral management instead of the term business ethics. Moral management refers to a state of ethical excellence and the practice and the implementation of the moral maximization principle (Sikula, 1989). Moral morass refers to the absence of moral maximization and the presence of "anything goes" ethics and values. I do not distinguish between ethics and morals, although some authors envision ethics as having a societal or cultural nature and morals as more personal or individual values. Both ethics and morals represent an authoritative and widely accepted code of good, right, and proper conduct. Ethics and morals involve pure, righteous, honorable, and virtuous behavior.

MORAL MAXIMIZATION

Moral maximization manifests itself as behaviors, actions, and decisions that result in the greatest enhancement of individual and collective human rights, human freedoms, human equity, and human development (Sikula, 1992). Human rights involve just claims, prerogatives, powers, privileges, and entitlements that people inherently possess as a result of birth. Human rights include life, property, safety, work, education, voting, due process, and privacy. Human freedoms involve personal exemptions and immunities from controls and restraints. Human freedoms include liberty, speech and expression, religious worship, peaceful assembly, petition, travel, pursuit of happiness, and leisure/rest (Sikula, 1992). Human equity involves human fairness and human justice and consists of human equality items including equal employment opportunity, and human variety components such as affirmative action, minority mentoring, and community mirroring. Human development in this context represents bringing humanity to a more advanced or effective state and causing it to grow and expand individually and collectively. Human development dimensions include self-respect, internal accord, prosperity, security, recognition, companionship, health, and achievement.

WHY NOT BUSINESS ETHICS

I prefer to talk and write about moral management instead of business ethics for several reasons. Many people jokingly refer to the phrase "business ethics" as an oxymoron. Such attitudes incorrectly conclude that business practices will not prove ethical and that ethical actions cannot survive in a business-oriented setting.

CULTURAL CONDITIONS

The world has increasingly become more secular and less spiritual. At all levels of education, we find certain beliefs and values taught with content and emphases that often are quite different from those which were commonly learned in generations past. For some, humankind rather than God now represents a central focus, and evolution has replaced creationism in most elementary and secondary courses teaching biology, science, geology, anthropology, and other subjects. We teach concepts focused on human achievement and self-actualization. This paradigm shift has caused more moral morass than ethical and/or educational enlightenment.

MORAL MATH

In the 10 equations discussed below, I seek to capture the essence of current culture and our contemporary educational systems. The moral math described summarizes common beliefs held by the general public. Despite the general population's belief in the relationships, I regard them as falsehoods and believe that promoting them will cause a continuation in the decline of individual and societal morality. With the goal of enhancing and expanding moral management, I have framed this set of moral mathematics as "erroneous" ethical equations. Progress toward ethical excellence can only occur by seeing past these popular misconceptions. Admittedly, doing so represents a minority perspective in today's world. Nonetheless, the highest levels of ethical excellence and moral management can only occur by going against the grain and taking the high road instead of the path more commonly trod.

ERRONEOUS ETHICAL EQUATIONS

1. Change = Progress

One misconception hammered into the heads of the populace states that change equals progress. Seeking change for the sake of change almost always proves detrimental to both individuals and institutions. Even carefully planned and programmed changes may have negative rather than positive effects. In actuality, most changes bring about both positive and negative repercussions, although not to the same degree or magnitude.

Undoubtedly, change proves inevitable and a constant. Many schools teach students to uncritically accept the notion that all change represents advancement or progress. More appropriately, we should view change as cyclical--sometimes improving and at other times worsening conditions or situations--and then later eventually reversing itself. This proves true of the weather, the stock market, and people's health, but also applies generally to interpersonal relationships, which can logically extend to international trade. Pendulums swing back and forth, and so do the positive and negative consequences of change.

One makes moral management progress by evaluating potential change and its probable consequences. Some change occurs inevitably; but much of it flows in a discretionary and controllable manner. Seek to avoid changes which hinder ethical excellence. One commonly finds courses taught about the Management of Change, and/or Crises Management to help anticipate and control environmental upheavals. Anger Management seminars help individuals to deal with the consequences of changes that generate discomfort. Ethical executives must manage change so that as much as possible of it leads to progress instead of regression.

2. Pay = Performance

Another commonly accepted lie holds that people's pay links closely and directly to their performance. From the lowest levels to the top echelons of business, this ethical equation is erroneous. Examples of CEOs who receive bonuses, even though their companies are losing money abound in the press. The fact remains that positions and pay levels often flow from connections to family members and friends. In addition to such networking, the general state of the economy also exerts a major force in determining pay raises. Only in jobs involving sales and/or piecework does pay directly connect to performance.

Not just annual increments, but even more important, initial employment and position advancement result more from personal networking than job performance. This has become most obvious in the United States where today small businesses increasingly supply the majority of jobs in the modern workforce. And the smaller the enterprise, the more important connections become, and the less validity applies to the pay equals performance assumption.

Moral managers must recognize the current falsehood of this equation and try to make this moral math truth rather than fiction. Effort and reward need to become more closely related if we expect ethical excellence to advance. Paying people based upon networking or who you know rather than merit creates problems in morals, mores, and morale.

3. Legality = Morality

Another cognitive mistake commonly believed by the general public incorrectly holds that legality and morality are identical or the same. Laws represent majority opinion and they vary widely over time and by location. What stands as legal in one jurisdiction may violate the law in another. Prostitution and gambling provide illustrative examples. Local and national laws

change over time, for example, highway speed limits and drinking ages. Legality stands at the very bottom of the morality food chain. Yet many people believe they practice morality simply by not breaking legal ordinances.

Morality represents a much higher ethical standard than merely following the law. Some expert theologians have argued that laws represent relative values set by man, whereas morals constitute absolute values dispensed by God. Legal behavior usually proves moral, and moral conduct almost always proves legal. However, exceptions exist. Many protesters cite capital punishment as legal, but not moral, or note that allowing the homeless to sleep in public parks may violate statutes while qualifying as a moral necessity.

Following the letter of the law does not automatically determine or verify one's ethical standing. Acting as a moral person often involves going above and beyond legal minimum requirements. In addition, one's ethical standards should lead to the same choices in private as in public. The moral manager's challenge involves acting morally and ethically in all aspects of one's personal/private and professional/public life and helping society move from a condition of moral decadence to a state of moral development and ethical excellence (Sikula, 1996).

4. Mankind = Like-Kind

Another factor causing the deterioration of ethics involves the failure to recognize mankind as different from other forms of animals and living creatures and creations. Humans differ from other life forms not only because of a greater intellectual capacity but also and especially because of a highly developed spiritual component. We find ourselves in this erroneous mental state and condition today because we have removed God from most classrooms and have permitted the teaching of inaccurate versions of evolutionary theory.

Humans will not make moral management progress unless they think of themselves as different from plants and other animals and life forms. Humanity has three critical relevant parameters: physical, mental, and spiritual. Today, many people seem overly focused on health and the physical dimension. In addition, many people have difficulty distinguishing between the mental and the spiritual aspects of humankind. Mental refers to one's intellect, and spiritual issues involve values, ethics, and morals that flow from emotional connections. We can write a related erroneous ethical equation as

$$\text{Mental} = \text{Spiritual}$$

The human mental parameter differs from the human spiritual dimension, and moral managers must have the ability to distinguish between the two if they hope to make progress toward ethical excellence. Moral managers address spiritualism in the workplace. Religion represents a part of culture and is often a primary individual motivational factor. Yet many business and educational institutions not only do not deal with this subject but also go out of their way to avoid it. God, religion, and spiritualism represent important human concerns for most individuals, and effective

teachers of commerce and education should learn to integrate such concerns into the lives and learnings of their constituents.

5. I'm OK = You're OK

In the late 1960s, a psychiatrist named Thomas Harris (1967) wrote *I'm OK--You're OK*, which remains popular today. This book described a theoretical approach to human relations called "transactional analysis." Many people believe that in order to respect themselves and everyone else, they must accept anything and everything that others assert. This anything goes attitude has led to a deterioration of societal ethics and values.

If people believe they are OK, they will make no effort to improve themselves, especially in the spiritual realm. The old Puritan concept that all people are sinners has been cast away and replaced by this newer feel good philosophy. Similarly, the belief in original sin has migrated to a neutral clean slate. The idea that people make mistakes and need repentance has become replaced in American culture with the concepts of self-actualization and achievable sainthood.

In order to advocate moral management, I teach that I'm not OK--you're not OK. I teach that all people have imperfections and suffer from ethical lapses. We all make mistakes consciously or unconsciously. I explain that one's conscience does not always provide a correct guide or determinant of ethical action. Some people lack an internal moral compass. The first steps of healing this problem involve getting past denial and into acceptance. Knowing that you can improve your ethical behavior represents the first step toward achieving ethical excellence.

6. Belief in God = Ethical Behavior

A sixth erroneous ethical equation revolves around the often very strongly held conviction that an ethical person must believe in God. The flip side of this mistaken creed holds that a person who does not believe in God cannot be ethical.

We all know people who go to church, mosque, or synagogue and claim that they believe in God, yet treat people disrespectfully all week long. We all have acquaintances who avow atheism and yet consistently treat people kindly and serve others humanely at all times. The key to moral management involves a desire followed by actions resulting in continuous ethical improvement which can be undertaken no matter what religion (if any) one professes and/or practices.

7. Facts = Truth

We frequently hear that facts speak for themselves. In truth, facts never speak for themselves and they always need interpretation. We can analyze all data and information from a number of different perspectives. This moral math equation simply asserts that we should analyze all figures within a reality context and given certain accurate assumptions. Some have joked that figures don't lie, but liars figure.

Two people can witness the same accident and come up with varying at-fault conclusions. At any moment in time, experts analyzing the same data offer divergent predictions about the stock market, employment, and/or the direction of interest rates. Lawyers know that you can get expert witnesses to attest to anything you want while looking at the identical evidence examined also by the opposing attorney. Such behavior often involves ethical or unethical practices above and beyond just the biased interpretation of numbers and data.

8. Self-Interest = Community Interest

The uncontrolled pursuit of self-interest does not lead to optimal outcomes for a community or society at large. Business pursuing self-interest leads to greed, undeserved power, and exploited workers. Pure capitalism assumes the perfectly free flow of goods, services, information, labor, and capital. Such never occurs in the real world. An unfettered market economy does not exist in reality.

I do not advocate communism, socialism, or fascism. I believe in and support capitalism and free markets. But I believe also that government has a role and that societies have a duty to help the less fortunate. I also believe that individuals and institutions need both internal and external controls or else some form of abusive behavior evolves. If the pursuit of self-interest equaled the best interests of communities and societies, all countries would become dictatorships. But increasingly the world has recognized the advantages of democracy over central control.

Oddly enough, today's pursuit of self-interest comes at the same time when individuals also tend to assume less and less responsibility for themselves and others (Petersen, 2002). We increasingly live in a welfare state where people have an entitlement mentality. In some states and countries, almost as many people live on governmental assistance as engage in gainful employment. A victim mentality often accompanies self-interest and lack of individual and social responsibility, resulting in a litigious society where the American dream of success through one's efforts has given way to a strong desire to win the lottery or to prevail in a law suit against some person or organization with deep pockets.

Rushworth Kidder and others recognize that both the pursuit of self-interest and community interest constitute noble goals. This eighth erroneous equation represents an ethical dilemma since two ethically acceptable choices exist rather than a moral temptation situation with one good and another evil alternative. In this situation, Kidder, I, and most other ethics experts believe that community interest takes higher priority than self-interest (Kidder, 1995).

9. Perception = Reality

Our American educational system focuses on the development of the individual. Self-esteem, self-actualization, self-control, and other individual centered foci form the behavioral goals. The system teaches that our unique individual opinions and preferences have critical importance and highest priority. Having it our way, voicing our opinions with e-mail, text messages, cell

telephone calls, and blogs, have become the way of the world. We learn that our perspective matters most, even if it differs from majority opinion. This focus makes us feel good, but telling people that their singular perception of reality matters most is a lie.

Contrary to popular opinion, individual perceptions do not always reflect objective reality. You may look in the mirror each morning and envision a physically attractive person. Others may not agree. How you perceive activity or an event may not correspond with objective reality. Some individuals may believe that they are fat or skinny, but an accurate scale can tell them otherwise. A related corollary erroneous ethical equation adds to the confusion, that being

Seeing = Believing

Most people think that seeing is believing. Every magician and most wise people know otherwise. We see what we want to see--and we hear what we want to hear. Individuals rationalize their own actions and the behavior of others. "Seeing is believing" is false because "believing is seeing" is true. What you believe determines your perception of events. A person filters and interprets stimuli using a learned set of values and assumptions, which may or may not prove objectively true, accurate, and trustworthy.

Psychological and marketing theories and practices have helped to bring about this ethical erroneous equation. Marketing professionals use this ploy in attempts to sell unneeded goods, conveniences, luxuries, services, and insurances. Certain images and impressions may carry decision making weight, but they often prove inaccurate, misleading, and without merit.

Moral managers must remain responsive to both reality and perceptions of reality. Individuals must learn to value the opinions of others, not just their own. Consumers must become less ego-centric if they hope to make intelligent buyer choices. Recognizing one's ethical roles at home or work and in society can help people to not become delusional with false hopes and dreams. Moving toward ethical excellence means to better recognize differences between a perception of reality and the world as it actually exists.

10. Different Culture = Different Ethics

Many people believe that different cultures have different ethics. However, many authors today have identified a set of global ethics that cross cultures and exist around the world. Understanding of this equation hinges on the proper definition of ethics. At the start of this article, I defined ethics as a universal code of good, right, and proper conduct. Yes, cultures and nations vary in their languages, customs, and traditions, but ethics, properly defined, extend world-wide in nature and content and are global in setting and context. Educator Herbert Spencer (1861) is widely quoted having said that "morality knows nothing of geographical boundaries or distinctions of race." This Spencer quotation also presents an opportunity to state another corollary erroneous ethical equation, specifically

Ethnic Diversity = Ethic Diversity

Some of the confusion on this point appears semantic and lies in the similar spellings of ethnic and ethic. Another part of the problem arises because diversity often focuses on variety and distinctions among races of people. Ethnic diversity enriches society, ethic diversity does not. Today, diversity often has an expanded meaning, and related concepts of pluralism, multiculturalism and inclusion encompass age, gender, sexual orientation, handicapped status, and other human traits. Human characteristics can vary, but moral standards and ethical benchmarks should not.

Rushworth Kidder (1994) identified the following eight global values: love, truthfulness, fairness, freedom, unity, tolerance, responsibility, and respect for life. Thomas Donaldson (1989) presented 10 fundamental international rights: physical movement, property ownership, no torture, fair trial, nondiscrimination, physical security, speech and association, minimal education, political participation, and subsistence. William Bennett (1993) listed 10 virtues: self-discipline, compassion, responsibility, friendship, work, courage, perseverance, honesty, loyalty, and faith. Michael Josephson (2002) listed 10 global ethics: trustworthiness, honesty, integrity, promise keeping, loyalty, respect for others, responsibility, fairness, caring, and citizenship. Finally, the Parliament of the World's Religions (1993) came up with eight global-ethic items: nonviolence (love), respect for life, commitment, solidarity, truthfulness, tolerance, equal rights, and sexual morality. Although these five citations have slightly different lists, they assert and display notable similarities.

ORGANIZATIONAL BEHAVIOR IMPLICATIONS

So what can managers and leaders do to improve organizational performance if such false beliefs pervade society? Ten warnings and recommendations on how to create an affirmative moral management milieu despite various erroneous ethical beliefs in today's working world follow.

1. Do Not Rely Solely on Numbers to Make Decisions

One needs data to make good decisions, but an overreliance on numbers for problem solving can lead to organizational mistakes. Human factors become more important than numerical figures in humane solutions to problem solving. People can gather and interpret numbers to prove anything they so desire.

2. Act as a Positive Person

Spend time building people up rather than tearing them down. Always remember that people resist change and resent criticism. Moral managers look for ways to help not harm others.

3. Treat All People With Human Respect and Dignity

Effective leaders get the best from all personnel from low levels through the upper echelons and in-between. Contributions from each and every employee affect the quality of goods and services produced by a company. All individuals have both intrinsic and extrinsic worth and value to contribute to enterprise.

4. Stress Teamwork Not Individualism

Developing an ethical environment involves working as a team rather than always trying to get ahead individually. Looking out for only oneself at the expense of others takes away from group productivity. Working as a team involves more effort but brings greater satisfaction than attempting to accomplish something alone.

5. Emphasize Creative Reasoning Not Critical Thinking

We have too many critics and devil's advocates today. People have been overly taught to critique the behavior of others and to question all authority figures. Seek to replace criticism with creative reasoning and an entrepreneurial spirit.

6. Avoid Groupthink

Going along with the crowd does not bring about improved organizational behavior. Majority opinions usually do not represent creative answers to especially difficult questions. Groups work well for brainstorming but not for selecting superior solutions to unique opportunities.

7. Think and Act Long Run Rather Than Short Term

Moral managers and ethical executives plan ahead more than they worry about past or present conditions. Many people have difficulty looking beyond a 6-month time horizon. Business people must force themselves to think beyond quarterly results and lead organizations looking several decades ahead.

8. Act in an Environmentally Friendly Manner

Hard-goods manufacturers as well as service providers must operate in an environmentally protective manner. Having ethical concerns means doing one's best to preserve the world for future generations.

9. Implement a Multiple-Stakeholder Perspective

Companies must demonstrate concern about the values and priorities of all of their stakeholders--not just their stockholders. These include customers, employees, suppliers, and immediate community residents.

10. Seek Higher Ethical Ground

Developing a moral management milieu involves moral maximization and choosing the best ethical alternative from among various choices. One can avoid problems with erroneous ethical equations by always taking the high road and seeking elevated ethical ground on which to stride and stand.

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